

Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 NEA-09 IO-10 ISO-00

OIC-02 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 USIA-06

PRS-01 SP-02 FEAE-00 OMB-01 /127 W

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R 141520Z MAR 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 19

INFO AMEMBASSY BELGRADE

AMEMBASSY BOGOTA

AMEMBASSY BERN

AMEMBASSY BRASILIA

USMISSION EC BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY BUDAPEST

AMEMBASSY CARACAS

AMEMBASSY COLOMBO

AMEMBASSY DUBLIN

AMEMBASSY GUATEMALA

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMEMBASSY KUALA LUMPUR

AMEMBASSY LAGOS

AMEMBASSY LA PAZ

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

USMISSION OECD PARIS

AMEMBASSY OSLO

AMEMBASSY QUITO

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AMEMBASSY ROME

AMEMBASSY SAN JOSE
AMEMBASSY SANTO DOMINGO
AMEMBASSY SINGAPORE
AMEMBASSY TEGUCIGALPA
AMEMBASSY TOKYO
AMEMBASSY VIENNA

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 1769

PASS STR FOR GUENTHER

E.O. 11652: N/A
TAGS: ETRD, GATT
SUBJECT: MTN: TROPICAL PRODUCTS MEETING, MARCH 10-14, 1975 -
INITIAL REPORT

1. SUMMARY. THIRTEEN COUNTRIES MADE OPENING STATEMENTS IN THE COURSE OF THE FIRST DAY'S MEETING. MOST STATEMENTS SUGGESTED FOLLOWING WORK PROGRAM; THE SUBMISSION, TABLING AND CIRCULATION OF REQUESTS, THE TABLING AND CIRCULATION OF OFFERS; BILATERAL AND MULTILATERAL NEGOTIATION; AND AN OVERSEER AND POSSIBLY A REVIEW ROLE FOR THE GROUP. SEVERAL DELEGATES MENTIONED THE NEED TO FURTHER DEFINE WHAT SPECIAL PRIORITY TREATMENT FOR TROPICAL PRODUCTS MEANS, BUT ALL AGREED ON NEED AVOID DEFINING TP AT THIS STAGE. THERE WAS GENERAL CONSENSUS THAT AGREEMENT CAN ONLY EMERGE FROM CONSIDERABLE BILATERAL AND MULTILATERAL NEGOTIATIONS. THE QUESTION OF CHOOSING A CHAIRMAN FOR THE GROUP WAS POSTPONED. UNCTAD WAS INVITED TO ATTEND AS AN OBSERVER FOR THIS SESSION. THE U.S. STATEMENT WAS WELL RECEIVED AND SET POSITIVE TONE FOR MOVING NEGOTIATIONS ALONG. THERE WAS GENERAL AGREEMENT THAT WHILE TROPICAL PRODUCTS SHOULD BE GIVEN SPECIAL AND PRIORITY TREATMENT, THE WORK OF THE GROUP SHOULD BE CLOSELY INTEGRATED WITH THAT OF OTHER GROUPS IN THE MTN'S AND THAT PROGRESS SHOULD NOT BE PERMITTED TO SLOW DOWN BY THE INTRODUCTION OF IRREVALENT ISSUES. BASED ON INITIAL STATEMENTS AND DISCUSSIONS, SECRETARIAT PREPARED MTN/TP/W/3 "DRAFT SUGGESTED GUIDELINES FOR ORGANIZATION OF NEGOTIATIONS
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ON TROPICAL PRODUCTS." THIS IS BEING HAMMERED INTO FINAL STATE DURING REMAINDER OF THE MEETING. END SUMMARY

2. INDIA (CHADHA) IN A STATEMENT WHICH SET THE TONE FOR DEVELOPING COUNTRIES OUTLINED ITS OBJECTIVES AS: THE ELIMINATION OF ALL TARIFFS; THE REDUCTION OF ESCALATING TARIFFS; MAINTAINING AND IMPROVING THE GSP; (EXTENSION OF THEIR COVERAGE, MAINTENANCE AND ENLARGEMENT OF THE

PREFERENCE MARGINS); THE ELIMINATION OF GSP QUOTA CEILING IN CONTEXT OF MFN CONCESSIONS; THE BREAKOUT OF BASKET TARIFF CATEGORIES; THE ELIMINATION OF UNREASONABLE HEALTH AND SANITARY REGULATIONS; NEGOTIATING ON GOVERNMENT PROCUREMENT PROBLEMS; THE ACHIEVEMENT OF STABLE AND REMUNERATIVE PRICES THROUGH THE DEVELOPMENT OF APPROPRIATE COMMODITY AGREEMENTS; AND THE WORKING OUT OF CONCRETE MEASURES TO SECURE A LARGER PERCENTAGE OF RETURNS ON TROPICAL PRODUCT EXPORTS TO LDC'S. WHILE REVIEWING OBJECTIVES, INDIAN DEL EMPHASIZED PROBLEMS RELATING TO PRICE ARE OF EQUAL IF NOT GREATER IMPORTANCE TO PROBLEMS RELATING TO ACCESS TO MARKETS CITING THE SPECIFIC REFERENCE IN THE TOKYO DECLARATION, THE IMPORTANCE OF RECENTLY CONCLUDED EC-ACP ARRANGEMENTS AND SUGGESTING SECRETARIAT STUDY ON LATTER TO SEE HOW IT MIGHT BE ADOPTED TO TROPICAL PRODUCTS. HE DETAILED FOUR ESSENTIAL ELEMENTS FOR MOVING NEGOTIATIONS ALONG: (A) SUBMISSION OF REQUEST AND OFFER LISTS WITH ABOUT TWO MONTHS BETWEEN THE TWO ACTIONS; (B) CONSULTATIONS AND NEGOTIATIONS; (C) ARRANGEMENTS FOR DEALING WITH MULTILATERAL PROBLEMS AND; (D) PERIODIC REVIEW OF ACTIONS FOR TNC. SRI LANKA (MARIADASON) ECHOED THE INDIAN STATEMENT BUT WAS MORE FLEXIBLE ON OFFER TIMING.

3. INDONESIA (THAJEB), REPRESENTING THE ASEAN DELEGATIONS MADE A STATEMENT ALONG SAME GENERAL LINES AS INDIAN STATEMENT SUGGESTING THE END OF APRIL AS A TARGET DATE FOR THE SUBMISSION OF REQUEST LISTS AND JULY FOR OFFERS.

4. THE ANDEAN COUNTRIES (BOLIVIA-AGUILERA), STATED THAT WHERE INTERNATIONAL COMMODITY AGREEMENTS ALREADY EXISTED, (EG. SUGAR, COFFEE AND COCOA), THE GROUP SHOULD CONCERN ITSELF WITH QUESTIONS OF TARIFF AND NONTARIFF PROBLEMS AND THAT QUESTIONS CONCERNING PRICE SHOULD BE DEALT WITH LIMITED OFFICIAL USE

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EXCLUSIVELY IN THE MORE SPECIALIZED COMMODITY ORGANIZATIONS OUTSIDE THE MTN. HE NOTED THE NECESSITY FOR A BETTER DEFINITION OF SPECIAL AND PRIORITY TREATMENT, AND STRESSED THE NECESSITY FOR A MULTILATERAL MEETING PRIOR TO BILATERAL DISCUSSIONS AIMED AT ACTUAL NEGOTIATIONS.

5. BRAZIL FIRMLY SUPPORTED A TP GROUP ROLE AS OVERSEER OF BOTH BILATERAL NEGOTIATIONS AND WHAT PROGRESS ON TP IS DONE IN OTHER GROUPS. ALSO THOUGHT GROUP SHOULD AGREE ON PROCEDURES FOR DEALING WITH WORK ON BOTH MULTILATERAL AND BILATERAL LEVELS. WITH RESPECT TO SPECIAL PROCEDURES FOR TP NEGOTIATIONS, THOUGHT NEGOTIATIONS BEST LEFT PROCEED ALONG PRAGMATIC LINES. MEXICAN DEL (ALCARAZ) GENERALLY AGREED WITH BRAZILIAN DEL IN TERMS NEED FOR PROCEDURES TO GUIDE BOTH BILATERAL AND MULTILATERAL

WORK. HE BELIEVED NEGOTIATIONS SHOULD BE COMPREHENSIVE
ENOUGH TO INCLUDE VARIABLE LEVIES, INTERNAL TAXATION,
TARIFF ESCALATION AND SPECIAL PREFERENCES, AND NEED
PROCEDURES TO IMPLEMENT AS SOON AS ACHIEVED.

6. US DEL (LANDE), AS FIRST DC SPOKESMAN EMPHASIZED
IMPORTANCE OF BEGINNING REQUEST STAGE OF NEGOTIATIONS IF
REAL PROGRESS IN NEGOTIATIONS TO BE MADE BEFORE YEAR END.
WE STRESSED THAT TO PURSUE OTHER ISSUES NOW -- EVEN THOUGH
PERHAPS LEGITIMATE -- BEFORE STARTING REQUEST AND OFFER
PHASE COULD ONLY DELAY MEANINGFUL TROPICAL PRODUCTS
NEGOTIATIONS.

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 NEA-09 IO-10 ISO-00

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02

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SP-02 FEAE-00 OMB-01 OIC-02 /127 W

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R 141520Z MAR 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 20

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7. THE NORDIC COUNTRIES REPRESENTED BY NORWAY (HUSLID)
STRESSED IDENTIFICATION OF THOSE PRODUCTS REQUIRING
MULTILATERAL SOLUTIONS AND INVITED LDC REQUEST LISTS IMMEDIATELY.

8. IN SHORT INTERVENTION CANADIAN REP (ROY) STATED GOC
MIGHT GRANT DUTY FREE ENTRY ON TP PROVIDED OTHER TRADING
NATIONS DO LIKEWISE, ALTHOUGH MAY HAVE PROBLEMS WITH
CERTAIN SEMI-PROCESSED AND PROCESSED PRODUCTS.

9. THE EC (ABBOTT) MENTIONED THAT SOLUTIONS MUST BE
FOUND ON A PRODUCT BY PRODUCT BASIS SINCE EACH HAS SPECIAL
PROBLEMS, AND IN A FEW CASES MULTILATERAL SOLUTIONS WOULD
BE NEEDED. STRESSED LINKED OBJECTIVES IN THE TOKYO
DECLARATION -- MARKET ACCESS LINKED TP TO MEASURES
TO OBTAIN STABLE, EQUITABLE AND REMUNERATIVE PRICES.
THE EC STATED IT SEEKS ORDERLY TRADE EXPANSION THROUGH
COMMODITY ARRANGEMENTS AND WILL PROMOTE SUCH DISCUSSIONS
IN THIS GROUP. MENTIONED GSP EXPANSION AS ONE VEHICLE FOR
MEETING LDC REQUESTS.

10. AUSTRIA (SEGALLA) GENERALLY SUPPORTED LDC LINE FOR
RAPID REQUEST/OFFER PHASE OF NEGOTIATIONS WHILE AT SAME
TIME NOTED GENERALLY FAVORABLE ATTITUDE TOWARD COMMODITY

ARRANGEMENTS.

11. AUSTRALIA (WARWICK-SMITH) SUPPORTED NEGOTIATIONS ON TWO FRONTS -- BILATERAL AND MULTILATERAL. WITH RESPECT MULTILATERAL ACTION, DEL STATED HE HAD IN MIND STABILIZATION. LIMITED OFFICIAL USE

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12. JAPAN MENTIONED THE NEED FOR APPROPRIATE RECIPROCAL CONTRIBUTIONS, FOR FLEXIBILITY AND FOR INFORMAL BILATERAL CONTACT.

13. AT THE CLOSE OF THE MEETING ON MONDAY THE SECRETARIAT AGREED TO PREPARE TWO DOCUMENTS, ONE ON POINTS MADE BY DELEGATIONS WITH RESPECT TO NEGOTIATIONS ON TP AND THE OTHER ON PROCEDURES FOR TRADITIONAL ITEM-BY-ITEM NEGOTIATIONS.

14. THE SECOND DAY OF THE MEETING PRINCIPALLY CONCERNED DELEGATE COMMENTS ON THE PAPERS PREPARED BY THE SECRETARIAT. PRIOR TO THE MEETING USDELS MET WITH ASEAN AND ANDEAN DELEGATIONS AND SPOKE WITH THE INDIAN AND NORDIC DELEGATIONS. A LUNCHEON WAS ALSO ARRANGED WITH EC AND JAPANESE REPRESENTATIVES. THE RESULTS AT THE SECOND SESSION WERE CONSIDERABLE. THE ANDEAN DELEGATES, LED BY ECUADOR, FULLY SUPPORTED THE U.S. STATEMENT THAT FAST ACTION IN THE AREA COULD ONLY BE ACHIEVED BY CONCENTRATION ON TARIFF AND NTB PROBLEMS DEALT WITH PRINCIPALLY THROUGH BILATERAL CONSULTATIONS, BRINGING INTO THE PICTURE AT THIS STAGE BROADER MULTILATERAL QUESTIONS ESSENTIALLY RELATED TO COMMODITY ARRANGEMENTS AS SUGGESTED BY SEVERAL DELS, WOULD ONLY SLOW US DOWN. THE ECUADORIAN DELEGATE SAID QUOTE THE MTN SHOULD LIMIT ITS SCOPE TO ACCESS TO MARKETS, TARIFF BARRIERS, NTB'S AND INTERNAL TAXES END QUOTE. HE ALSO SUPPORTED THE U.S. POSITION THAT THE TIMING FOR BOTH REQUESTS AND OFFERS SHOULD BE FLEXIBLE AND THAT THE GROUP SHOULD NOT LOCK ITSELF INTO ANY TIME FRAME WHICH MIGHT CAUSE ITS FAILURE. THE BRAZILIAN DELEGATE FIRMLY SUPPORTED THE ECUADORIAN POSITION ON THE NEED TO MOVE GENERAL MULTILATERAL ISSUES ASIDE FOR PRESENT. MOST LDC'S SUPPORTED SOME FORM OF TARGET DATE FOR SUBMISSION REQUESTS AND NEED TO MAINTAIN RELATIONSHIP WITH OTHER MTN GROUPS.

15. THE SECRETARIAT DOCUMENTS ELICITED MUCH COMMENT AND SOME CONTROVERSY. THE RESULT WAS THE DECISION BY THE SECRETARIAT TO PREPARE ANOTHER DOCUMENT INCORPORATING THOSE ITEMS ON WHICH THERE WAS A CONSENSUS ON HOW TO PROCEED WITH RESPECT TO TP NEGOTIATIONS AND BRACKETING OTHER POINTS. LIMITED OFFICIAL USE

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16. THE REMAINDER OF THE MEETING WAS TAKEN UP WITH A DISCUSSION OF MTN/TP/W/3, "DRAFT SUGGESTED GUIDELINES FOR ORGANIZATION OF NEGOTIATIONS ON TROPICAL PRODUCTS." THE OVERALL ISSUE OF NON-RECIPROCITY AND REQUESTS FOR IMPROVED ACCESS FROM IMPORTING LDC'S PROVED IMPORTANT DURING THIRD AND FOURTH DAYS OF MEETING. U. S. INTERVENTIONS WERE REQUIRED TO MAINTAIN LANGUAGE CONSISTENT WITH ITS INSTRUCTIONS (REFTEL A). SEPTTEL WILL FOLLOW GIVING RESULTS OF MEETING. WOLFF

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Message Attributes

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Draft Date: 14 MAR 1975
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